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## WEEKLY REPORT



# THE SITUATION IN SOUTH VIETNAM

21 July 1965

**INTELLIGENCE AND REPORTING SUBCOMMITTEE OF THE INTERAGENCY  
VIETNAM COORDINATING COMMITTEE**

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DIA and DOS review(s) completed.

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THE SITUATION IN SOUTH VIETNAM

(15 July - 21 July 1965)

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(The Weekly Report on the Situation in South Vietnam is based on contributions from CIA, DIA, and INR; it is edited and published by CIA without final coordination. A fully coordinated Monthly report is disseminated on the first Friday of every month.)

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THE WEEK IN PERSPECTIVE

The political situation in South Vietnam was quiet during the week, as official and public attention focused on possible US plans and intentions. The government staged two major rallies on 20 July to mark the anniversary of the 1954 Geneva agreements, highlighting the occasion as a "day of shame" and stressing the theme of liberating the North.

Rumblings of discontent with the new regime continue in Buddhist circles, and the killing of Colonel Pham Ngoc Thao, a prominent Catholic wanted for participation in several coup plots, may create new uneasiness among more extremist Catholics.

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Conclusions

There is no real improvement in the overall military situation, despite the decrease in Viet Cong activity and the shift from large-scale attacks toward sabotage, terrorism, harassment and interdiction. The build-up of US forces and ARVN attempts at regaining the initiative (e.g., road-clearing operations) are the most favorable signs.

Viet Cong activity against GVN enclaves and lines of communications is expected to continue.

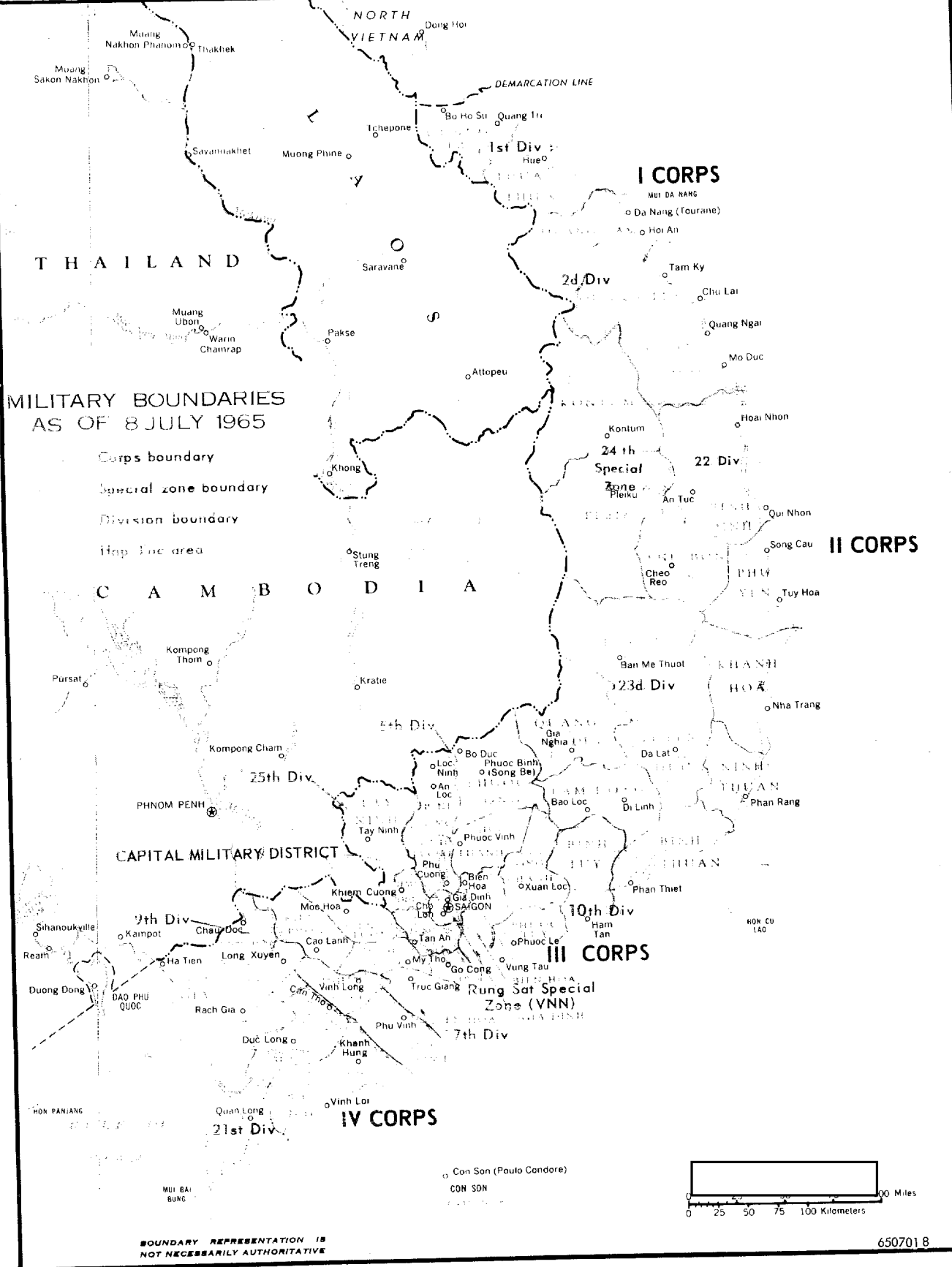
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# SOUTH VIETNAM

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I. THE SITUATION WITHIN SOUTH VIETNAM

A. POLITICAL SITUATION

1. The political situation remained generally quiet during the past week, with most official and public attention focused on the visit of high-level US officials and the possible plans of the US.

2. The military regime marked the anniversary of the 1954 Geneva accords on 20 July with a "day of shame" rally in Saigon, addressed by General Thieu. Premier Ky attended a similar rally near the demarcation line. The US Embassy has observed, from local press accounts of the speeches and proceedings, that the military government appeared to be putting across two messages. One, its attitude toward the Geneva agreements, was for foreign consumption. The other and more prominent theme of "marching North" was for domestic consumption, with the idea of whipping up national enthusiasm.

3. According to the local press, Thieu in an extemporaneous speech declared that the Geneva agreements were no longer valid and that the parallel dividing North and South Vietnam could no longer be considered a frontier. Thieu further stated that true peace in Vietnam could only come when the Viet Cong were eliminated in both the South and the North, declaring that "we must liberate the North and confront Red China in order to guarantee peace." He asserted that South Vietnam would never participate in any conference attended by the Viet Cong.

Although Ky's speech is not yet available, the premier on 17 July made similar remarks about freeing the North and chasing the Chinese Communist from Vietnamese soil. He was in Dalat that day to inaugurate the first airlift of rice from Saigon. The Embassy fears that such statements, coupled with the lack of publicity at the rally on North Vietnam's aggression against the South, may tarnish the regime's image abroad even though South Vietnam is not a signatory to the Geneva accords.

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4. Rumblings of dissatisfaction with the new government continue even though no open opposition has developed. Buddhist leader Tri Quang appears to be hardening in his critical attitude toward certain prominent government officials. He now insists they are agents of former president Diem's clandestine security chief, imprisoned Tran Kim Tuyen. Quang, as well as a prominent Buddhist layman, former social welfare minister Tran Quang Thuan, have both claimed that the government's performance to date is one of unkept promises and confusion which they anticipate will worsen with infighting among the generals. Quang, on 15 July, told an Embassy officer that he had now concluded that "sooner or later," the new government would have to go. He apparently has no definite course of action, nor any plans to confront the regime openly, but his comments are reminiscent of his past tactics in challenging earlier regimes.

5. Colonel Thao, a militant Catholic who was sentenced to death in absentia for masterminding two attempted coups in February and May, was reportedly ambushed on 16 July by government security agents about 10 miles north of Saigon. The government claims [ ] that Thao was captured while seeking aid after being wounded by some of his followers eager to collect the reward for his capture. Thao died the same night of wounds reportedly suffered when he attempted to escape from his government captors. His death removes at least one inveterate plotter from the scene, but it may arouse renewed resentment in more extremist Catholic refugee circles where Thao enjoyed considerable sympathy and possible protection.

6. Thao's death coincided with a government order suspending three Saigon newspapers, one of them the only Catholic press organ in the capital and a mouthpiece of the northern Catholic militants. This press suspension, although it also included a paper published by a close associate of former Premier Quant, may well arouse any Catholic suspicions resulting from the killing of Thao. Psychological Warfare Secretary Dinh Trinh Chinh said the press

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suspensions were prompted by "harmful stories" concerning the alleged sacking of rice warehouses in Hue and Da Nang by students. The Catholic paper drew the longest suspension for editorials charging that the government was unable to contain lawlessness. A fourth paper has since been closed for printing stories harmful to public morals.

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8. According to the US Embassy, Saigon's new prefectural council, elected on 30 May under the Quat government, elected a president on 14 July and set up its by-laws. Only 26 of the 30 members participated; four members of Chinese descent have had their elections nullified and will be replaced by new elections. Some of the provincial councils were also sworn in to office on 1 July and are beginning to operate, but in several provinces there is no indication when the councils will formally begin to function.

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Economic

9. Rice supplies and prices in the Saigon area have been temporarily stabilized. The GVN has obtained pledges of 52,000 metric tons (MT) from wholesalers in Cholon and the provinces, with possibilities for additional pledges of 15,000 MT. GVN action against speculation and hoarding has stabilized the price except for premium grades. The scope of the recent rice problem is illustrated by second quarter data on deliveries from the Mekong delta which were 114,900 MT, compared with 144,600 during the same quarter in 1964. Stocks in Saigon on June 30 were 64,000 MT compared with 156,900 a year earlier.

10. Although sufficient stocks are available to meet the current month's requirements (50,000 MT) for Saigon and central Vietnam, transportation must be found to move supplies to central Vietnam where stocks are negligible. August supplies depend on deliveries from the delta, with Viet Cong interdiction possible. P.L. 480 shipments, scheduled for late July and August, may alleviate this situation somewhat.

11. As a result, a current mission estimate concludes that Saigon will enter September with, at best, only a small stock carryover and only limited possibilities of small additional deliveries prior to the main January-February harvest in the delta. On the basis of projected requirements for the remainder of the year, the mission recommends that arrangements be made for the US to finance 50,000 MT from Thailand or other sources for August delivery, requests 100,000 MT of P.L. 480 rice for the last three months of the year (in addition to the 50,000 MT presently due in October), and alerts Washington that an additional 100,000 MT may be needed to rebuild stocks during January.

12. The mission emphasizes that it is important to import rice early to inhibit speculation and to encourage deliveries from the delta. According to

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the mission, the same psychological factors require that substantial stocks be available prior to the January-February harvest of the new crop.

13. One effect of importing substantial stocks of rice would probably be a further reduction in the government's efforts to collect rice in contested areas, thus abandoning these local surpluses to collection by the Viet Cong. ARVN-backed collection of the September harvest in the coastal plains of central Vietnam could reduce the requirements for deliveries from Saigon and at the same time deprive the Viet Cong of vital food supplies in this rice-deficit region.

14. The mission also reports that the value of second quarter rubber export licenses was down 30 percent from last year due largely to VC-GVN military action near the plantations.

15. Prices in Saigon receded slightly after the surge in early June. Declines in selected wholesale and retail commodity prices have been reported for the fourth consecutive week.

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## B. MILITARY SITUATION

1. Viet Cong activity, especially the number of large-scale attacks, decreased during the week 10 through 17 July. The largest attack was of battalion-size and was directed against two ARVN companies in Binh Duong. The Viet Cong continued to maintain pressure on district towns by harassment and a few small-scale attacks, particularly in I, II, and III Corps Tactical Zones (CTZ).

2. In I CTZ, the Popular Forces received the brunt of Viet Cong activity, while US Marines in the Da Nang area were fired upon six times. In Quang Nam Province, the Popular Forces lost an entire post, with 19 weapons and one radio. In Quang Ngai Province, two outposts were attacked simultaneously. Each outpost was manned by a Popular Force platoon; first reports list both platoons as missing. In II and IV CTZ's, Viet Cong activity declined. In III Corps, agent intelligence reporting had indicated that a Viet Cong battalion would be operating against supply convoys in the Ben Cat area. While on a road-clearing mission, 15 KM north of Ben Cat, the 7th ARVN Regiment Headquarters was attacked by a reinforced Viet Cong battalion. The two infantry companies guarding the headquarters bivouac area suffered approximately 130 casualties.

3. Sabotage and terrorist activity increased throughout the country. Sabotage continues to be aimed at lines of communications as evidenced by the sustained isolation of the highlands from overland communications. During the week, the railroad was operating only from Hoa Da to Nha Trang and from Da Nang to Hue.

4. Interrogation reports and captured documents have furnished sufficient information to increase the Viet Cong Order of Battle. Regimental holdings remain at 10; battalions increased from 68 to 72; companies from 188 to 192; platoons decreased from 114 to 101; and strength increased from 48,550 to 53,000. This strength and the 17,600 figure for

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support-type troops raises the overall regular Viet Cong strength to 70,600. Three of the four new battalions are in the Tay Ninh area, while one is in Vinh Long.

5. Friendly large-unit operations and resultant Viet Cong contacts increased 15 percent during the week, offset somewhat by fewer contacts by small-unit operations (which also increased in number). The drop in contacts and the slowdown in Viet Cong activity contributed to a 16 percent drop in government casualties. The sharp drop in Viet Cong losses reduced RVN's favorable kill ratio from  $2\frac{1}{2}$  to 1 to less than 2 to 1. The ratio of weapon losses still favors the Viet Cong; climbing this week to 4 to 1, due mainly to a 45 percent drop in Viet Cong losses. In I CTZ, a two-company ARVN-RF force surprised an estimated Viet Cong battalion preparing an ambush along Route 1. There were 92 RVN KIA and 134 Viet Cong (body count) dead. A complex operation involving 12 ARVN battalions and supporting artillery air and engineer forces began in II Corps. Its mission was to open Route 19 for friendly traffic. The scope of the operation required reallocation of three companies.

6. Refugees continue to pose problems for the GVN. They now total 580,000; 385,000 of which are still in temporary centers. Most of these are concentrated in the provinces of the coastal plain, but they do not yet pose a problem for the military.

7. As the tempo and intensity of the war slowed, so did the casualties of both sides. ARVN casualties were 734 (283 KIA) compared to 882 (284 KIA) last week. Also, Viet Cong casualties totalling 447 (419 KIA) were down from 913 (741 KIA) last week. The government lost 408 weapons, while Viet Cong losses were 107. Last week the figures were 322 and 195 respectively.

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C. RURAL RECONSTRUCTION

1. The Interior Ministry recently completed a seminar on local administration for key provincial-level officials. Among the subjects were decentralization procedures, setting up ministry and corps tactical zone inspection teams, the national census, and food supply problems. The new inspection teams are expected to improve local official coordination and to eliminate some of the unwieldy operational procedures now in existence.

2. Viet Cong terrorism against local government officials was intensified in June when 87 officials were murdered and 137 kidnaped. During May, 17 were killed and 24 kidnapped. This year's total to date is 304 local officials murdered and 525 kidnaped.

3. A USOM report about logistical capabilities has detailed how critical the status of communication/transportation routes is within the country. According to USOM, about 62 percent of the railroad mileage is totally inoperable, while 44 percent of the highway mileage and six percent of the canal mileage are impassable or inoperable.

4. Resources control operations within the Saigon and Cholon area during the 11-17 July period resulted in 1,326 arrests (compared to last week's total of 678). In addition, 232 draft dodgers were apprehended, and 37 commodity confiscations made. Family census operations during this period included 28,102 housechecks and 74,409 individual identity card checks, resulting in 1,293 arrests.

5. A total of 443 persons returned to government control during the 11-17 July period, according to government Chieu Hoi officials. Although this was the second consecutive week in which the number of civilian returnees declined, there was a significant rise in the number of military returnees, 282 this week versus 181 last week. Fifty-eight of the returnees were listed as political cadres.

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6. Psychological warfare operations during the past week were largely concentrated on propaganda leaflet production and drops and informational programs directed at ARVN units as well as the dependents of members of paramilitary units.

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## II. THIRD COUNTRY DEVELOPMENTS

### A. INTERNATIONAL ORGANIZATIONS

1. The GVN was seated at the 28th International Conference on Public Instruction held in Geneva on July 12-23, despite opposition by the Soviet delegation. The GVN delegation pointed out that it represented the legitimate government of Vietnam which had long been active in international organizations. The GVN also challenged the Soviet claim that the Liberation Front should represent Vietnam, pointing out that the Front terrorized and sabotaged Vietnamese public education.

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### B. CAMBODIA

1. During the inauguration of a primary school at Sihanoukville on 15 July, Sihanouk noted that certain French newspapers claim that the US, in escalating the war further against the Communists, now feels it is "necessary to fill the so-called Cambodian gap." Sihanouk reported that US intentions, as revealed in a recent French newspaper, is to fill the Cambodian gap by attacking Cambodia and turning it

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into a war base for the US and "their lackeys." Sihanouk also cited Secretary Rusk as stating that the US intends to destroy all Viet Cong bases or sanctuaries. Since the Americans regard Cambodia as a Viet Cong sanctuary, Sihanouk observed that the US may bomb or attack Cambodia.

C. FREE WORLD ASSISTANCE

1. Republic of Korea

A bill requesting approval of the ROK's plan to dispatch a combat division to Vietnam was sent to the National Assembly and referred to the National Defense Committee on 14 July. Deliberations on the bill were delayed by opposition party members refusing to attend committee meetings.

The current Assembly session is scheduled to end on 21 July and is to be followed immediately by a call for a new session (probably to be held between 28 July and the end of August) to consider the troop dispatch as well as ratification of the Korea-Japan normalization treaties. Opposition assemblymen are believed not to be strongly opposed to the troop dispatch, but they may object and filibuster on the matter as a means of delaying consideration of the normalization issue.

2. New Zealand

The first elements of the New Zealand light field artillery battery arrived in South Vietnam on 15 July. The remainder of the battery, which is to total about 100 men, is scheduled to arrive before the end of July. The battery will serve with the artillery battalion of the US 173rd Airborne Brigade at Bien Hoa airbase. With the arrival of the battery, the New Zealand construction unit will be withdrawn from South Vietnam.

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### III. DEVELOPMENTS IN THE BLOC

#### A. GENEVA AGREEMENTS ANNIVERSARY

1. DRV president Ho Chi Minh used the eleventh anniversary of the signing of the Geneva agreements to restate his country's determination to press for a military victory in Vietnam. In a special appeal on 19 July, Ho promised that his nation would fight till final victory even if it had to go on fighting "twenty years, or even longer." Ho's appeal looked forward confidently to eventual victory and stated that if the US wished a peaceful solution to the war it must implement the Geneva agreements, and carry out the DRV's well known "four points."

2. Peiping also used the 20 July anniversary to reiterate its demand that US troops must be withdrawn from Vietnam before a settlement is possible. A People's Daily editorial asserted that the withdrawal of US troops from Vietnam "is the basic point and most important prerequisite for a settlement of the Vietnam question." Echoing Ho's appeal, the editorial warned that if the war cannot be won in one year it will be carried on for ten years, or even for "generations."

3. The Presidium of the Liberation Front's Central Committee issued an appeal to the liberation forces to "fight to the end to defeat completely the US imperialists' aggressive war." The statement assured the populace that "our position is that of victory, while our enemy is in an ever more isolated and failing position."

#### B. AID TO THE DRV

1. A DRV economic delegation, which has been touring several bloc capitals in recent weeks, ended its trip with a three-day visit to North Korea. In Pyongyang, the delegation signed an agreement for North Korean "economic and technical aid." Further terms of the agreement were not spelled out, but any economic aid from Pyongyang would have to be on a small scale.

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2. On 17 July a joint communique was issued in Peiping following talks between Chinese leaders and the delegation. The communique stated that Peiping will provide North Vietnam with assistance in the form of equipment, supplies and "whole sets of installations" in the field of national defense and economic development. The language of the communique seems designed to indicate that Peiping and Hanoi are moving closer together. It notes that China has already given "enormous support and assistance" and has been "most steadfast" in backing the DRV.

3. Such a drawing together was further reflected in speeches by DRV Vice Chairman Hoang Van Hoan, head of a delegation currently in Peiping on the first stop of a trip through the USSR, Mongolia, and North Korea. Hoan thanked the Chinese for the "firmest, the most powerful, and the most effective aid" the DRV had received. While praising the Chinese revolution and Peiping's success in building socialism, Hoan claimed that the Chinese people are "unfolding" a vigorous campaign to aid Hanoi in resisting the US.

#### C. FURTHER PEACE INITIATIVE

1. Hanoi's invitation to Ghanaian President Nkrumah to visit the DRV, but not as part of the Commonwealth Peace Mission, has resulted in the dispatch of a Ghanaian delegation to North Vietnam. The delegation, headed by the high commissioner to the UK, Ambassador Kwesi Armah, left London on 20 July on a mission apparently designed to pave the way for Nkrumah's visit. The Ghanaian President is reportedly scheduled to travel to Hanoi within a week.

2. The DRV has carefully attempted to separate the Afro-Asian members of the proposed Commonwealth Peace Mission from the criticism which it has leveled at Great Britain for its part in the peace initiative. Hanoi will probably attempt to extract what verbal support it can from Nkrumah for some element of the DRV "four point" proposal for settling the war.

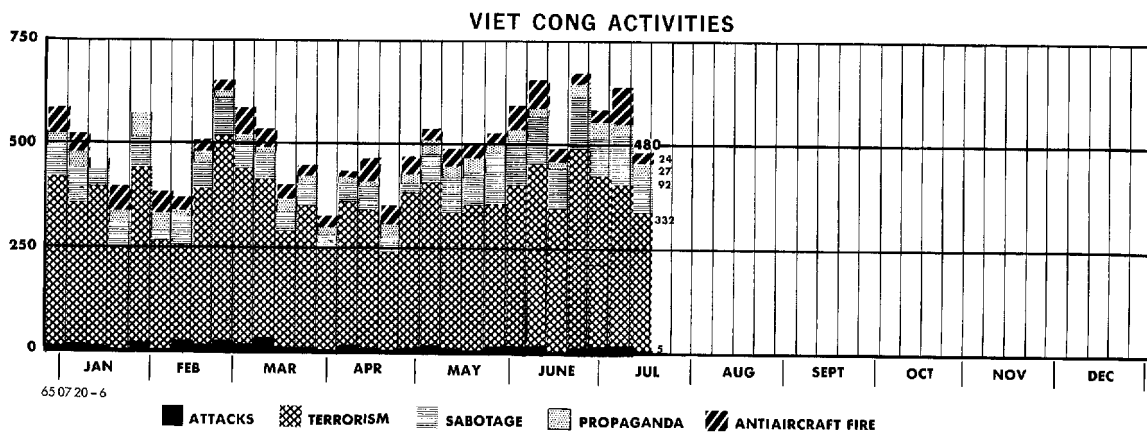
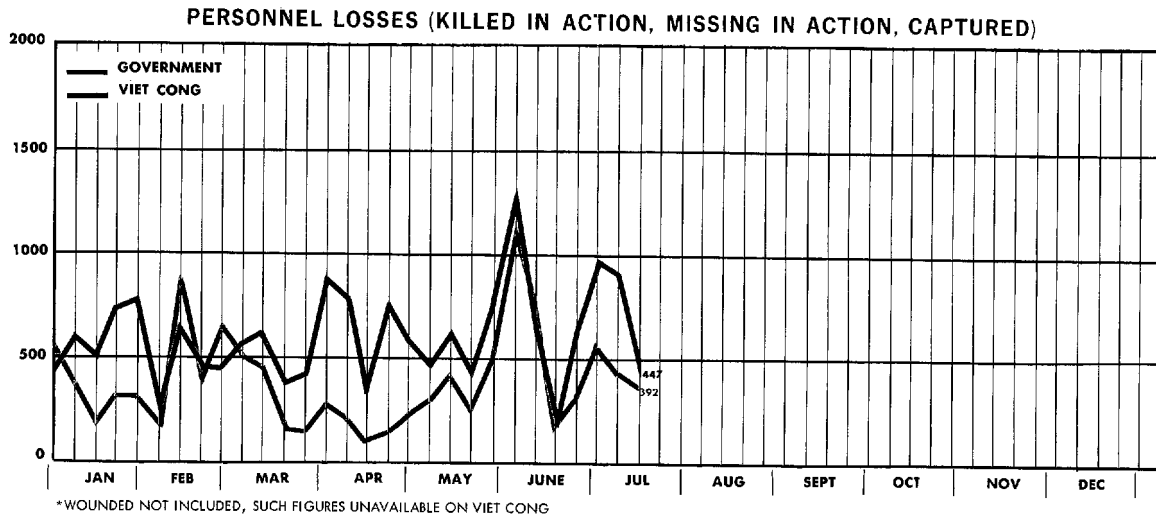
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# SOUTH VIETNAM BATTLE STATISTICS, 1965

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WEEKLY REPORT



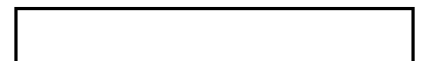
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